

**Memorandum of Understanding
between
the Muhammad Subuh Foundation (MSF) and
Susila Dharma International Association (SDIA)**

A - Preamble

The **Muhammad Subuh Foundation** is named in honour of the founder of Subud, Bapak Muhammad Subuh Sumohadiwidjojo, and was established to fund the long-term aims of the World Subud Association. In 1971, the Subud Brotherhood International Foundation (SBIF) was established. In 1991, four years after Bapak's death, SBIF was replaced by the Muhammad Subuh Foundation (MSF) and was established as a non-profit, non-member, tax-exempt body in the Commonwealth of Virginia, USA.

Its mission is to honour the name of the founder of Subud, Bapak Muhammad Subuh Sumohadiwidjojo and serves to build a lasting financial capacity for the Subud community, with dedication to the long-term aims of the World Subud Association.

Susila Dharma International Association is a legally registered, member-based non-profit Association registered in 1994 in the Commonwealth of Virginia, USA. SDIA has USA Charitable tax No 98-0156249 and was officially recognized as an affiliate of the World Subud Association (WSA) in 1994. It holds special class 2 consultative status with the UN's Economic and Social Council (ECOSOC), UNICEF and the Department of Public Information (DPI). SDIA was created to implement WSA's social and humanitarian aims and to support the works of Subud members active in the areas of "*health, education and community development and other charitable purposes*" (SDIA Bylaws). SDIA's Mission is to relieve human suffering and promote a just and sustainable development through:

- Partnerships and support for grassroots, participatory development and humanitarian initiatives;
- Empowering individuals and communities to engage in positive human, social and economic change;
- Raising awareness of global issues and inter-dependence.

This MOU does not supersede any articles or by-laws of either organisation.

B- Principles of Cooperation

MSF and SDIA are committed to a long-term cooperation based on their common interests, their missions and their complementarities. Both are committed to advancing the social and humanitarian aims of the WSA: MSF through providing a lasting, well-managed financial capacity to support SDIA and through SDIA, social and humanitarian projects of Subud members; and SDIA through technical support, capacity building, coordination of financial assistance and information sharing between projects, practitioners and Subud members at large.

MSF and SDIA's cooperation shall involve not only a financial relationship, but the sharing of experiences and good practices, as Subud organisations, on common challenges such as financial management, investment strategy, fundraising, legal issues, administration, etc. It shall also involve exploring possible joint MSF-SDIA projects as well as projects that involve other wings and WSA.

KB Au

SDIA to MSF outlining the costs involved for each project and the share of the costs being requested of MSF. Such proposals will be prepared on a schedule to be established (once or twice yearly, for example).

3.2 Procedures for support to SD member projects: MSF and SDIA agree to the following procedures for grants to SD member projects: all SD member projects will submit grant requests to SDIA, who will study them with other members of the SD network, to determine the feasibility of the project, capacity of the organisation involved to execute the project, and possible alternative funding sources. SDIA will consider existing funding relationships within the SD network and opportunities for non-Subud funding. After an assessment, SDIA will, on a schedule to be determined with MSF, forward feasible, high priority projects proposals to MSF.

3.3 MSF-SDIA Project support criteria for S & H projects

MSF and SDIA agree to work together on a set of criteria to inform the types of projects that MSF would like to receive from SDIA. Two criteria to be considered are sustainability and long-term capacity building.

3.4. It is agreed that MSF will not respond directly to funding requests from SDIA members, but will refer the project representative to SDIA in line with the procedures set out in this MOU.

3.5 Results-based framework

SDIA will work with the project to create a results-based monitoring and reporting framework on terms agreed to jointly with MSF.

3.6 Project phases and release of funds

SDIA will assume a management role in project funding by determining with projects the phases of the project, and by which benchmarks monies will be released. SDIA reserves the right to freeze the said monies till agreed-on steps or benchmarks have been reached. MSF and SDIA will jointly define a time limit after which, if the situation has not yet been sufficiently resolved, SDIA will revert to MSF for its instructions.

3.7 Reporting

SDIA will provide interim and final narrative and financial reporting to MSF on all projects funded by MSF on a schedule to be jointly determined.

3.8 Management costs

SDIA and MSF agree that a management fee for the above-mentioned services be negotiated as a fixed percent of the grant. As both MSF and SDIA incur management costs, a split of management fees is to be agreed upon on a case-by-case basis between MSF and SDIA, reflecting the proportion of work and responsibility carried by each organization.

E - Funding of S & H projects outside the SD network

In case of a funding request to the MSF from any S & H project - or S & H part of a more general project - **not belonging** to the SD Network, MSF will consult SDIA about the proposal. SDIA may seek further information or make recommendations about such projects. This does

KB Cu

C - Representation and Communications

MSF is represented to SDIA by its Chief Executive Officer and/or Chairperson and/or delegated MSF trustee.

SDIA is represented to the MSF by its Executive Director and/or Chairperson and/or delegated SDIA Board member.

In addition, on an annual basis, MSF and SDIA Boards shall endeavour to hold one joint meeting to review and discuss the effectiveness of the MOU and how to enhance cooperation.

D - MSF's Financial Support to and through SDIA

MSF and SDIA agree to three (3) types of annual funding from MSF to SDIA: Core funding, Funding for Services, and Social and Humanitarian (S& H) Projects Funding:

1. MSF's Core Funding to SDIA

1.1 Recognising the importance of the role that SDIA plays in supporting, coordinating and promoting social and humanitarian activities of Subud members, be they project leaders, members of SD national teams, or Subud members at large, MSF and SDIA agree to discuss annually with WSA that MSF ^{possibly} provide a portion of SDIA's core funding. By so-doing, MSF helps ensure the continuity of SDIA work from year to year. This grant does not exclude additional grants for specific purposes (see below).

2 - MSF financial support to SDIA Services

2.1 MSF and SDIA agree to annually review funding needs for services SDIA provides to SDIA members and the Subud membership at large and, budget permitting, for MSF to provide funding as possible. These shall be funds restricted for services, based on an annual written request from SDIA to MSF. These funds shall cover SDIA activities that include, but shall not be limited to, building the long-term capacity of Subud members and SD projects to carry out effective and sustainable social and humanitarian work.

2.2 Annual Review of funding needs for services provided to the Subud membership at large

MSF and SDIA will annually review proposed SDIA services to its members and Subud membership at large. This review will take place not later than the second week of September each year for funding proposals to be implemented in the following year, and a decision shall be rendered by MSF by the end of September.

2.3 Reporting on Funding of SDIA Services

Funding provided to SDIA for services to SDIA members and the Subud community at large will be accounted for through a detailed financial and narrative report on activities carried out and funds spent.

3. - MSF financial support for Social and Humanitarian (S & H) Projects

3.1 It is agreed that MSF will consider providing funding, through SDIA, for S & H projects that are members of SDIA. These shall be restricted funds, based on written proposals from

KB

not apply to any social and humanitarian projects carried out by the World Subud Association's Care Support Program for Subud members in need (e.g. the WSA Subud Emergency Fund - previously known as the International Almoners -, the WSA Subud Education Fund or any additional future services offered by the WSA Care Support Program to Subud members in need).

It is agreed that MSF will inform SDIA of any grant it makes to S & H projects outside the SD network. On a case-by-case basis, it will be agreed whether SDIA has any role or responsibility in monitoring or providing technical support for the project. If so, SDIA may receive a management fee for doing this (an agreed percentage of the grant or a lump sum), and will be responsible for providing monitoring reports to MSF.

F - MSF donor restrictions:

Donor restrictions and, as part of such, donor advice, shall always prevail over the stipulation of this MoU.

G - MSF Guidelines and U.S. Regulations:

All arrangements, agreements, etc. shall be in accordance with MSF guidelines and U.S. Regulations.

H - Recognition:

SDIA and MSF will publicly recognise each other's role in making possible all services provided and activities and projects funded under this agreement.

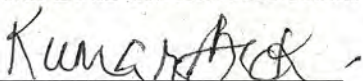
I - Review

This Memorandum of Understanding will be reviewed by both parties every two years and may be amended, revised, and extended by mutual agreement of SDIA and MSF at any time.

J- SDIA and MSF will jointly work towards integrating the content of this agreement into a tripartite agreement with WSA.

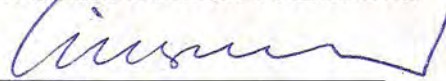
Agreed to this day of 7 August 2010
(Date)

By:
Susila Dharma International Association



Kumari Beck
Chairperson

Muhammad Subuh Foundation



Samuel Simonsson
Chairperson